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Chairman: Mr. Asadi ..... (Islamic Republic of Iran)
later: Mr. Prendergast ..... (Jamaica)
later: Mr. Asadi ..... (Islamic Republic of Iran)

Contents

Agenda item 95: Operational activities for development (*continued*)

Panel discussion on "Building national capacities: some lessons"

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The meeting was called to order at 3.05 p.m.

Agenda item 95: Operational activities for development (*continued*) (A/53/85, A/53/154, A/53/186, A/53/226 and Add.1-4 and A/53/363)

1. **Mr. Bahlouli** (United Nations Industrial Development Organization (UNIDO)) said that, in the framework of its reform programme and in conformity with the United Nations process of reform to improve and strengthen operational activities at the country level, UNIDO had taken steps to implement the provisions of General Assembly resolution 50/120, entitled "Triennial policy review of operational activities for development of the United Nations system".

2. At the seventh regular session of the UNIDO General Conference, held in December 1997, States members had urged the adoption of further measures to decentralize the activities of UNIDO and to strengthen its field representation through delegation of authority and reassignment of important functions and responsibilities to its field offices. The goal of decentralization was to respond more appropriately to the needs of member States in the context of a globalized economy, particularly by strengthening their economic competitiveness, creating productive employment and fostering environmental sustainability.

3. In the plan of activities adopted by the General Conference, UNIDO was urged to improve functional and programmatic coordination between its field representatives and those of other United Nations bodies. Where feasible and cost-effective, UNIDO had decided to integrate its country offices into a single United Nations office.

4. The first global meeting of UNIDO country programme directors had been held in January 1998. Member States, representatives of the Secretary-General, the Office of the United Nations Development Group (UNDG), the United Nations Development Programme (UNDP) and some bilateral organizations dealing with development issues had participated actively in that meeting with a view to considering the interaction between UNIDO headquarters and field offices, the delegation of administrative and financial authority to those offices and cooperation with other organizations of the United Nations system. The meeting had served as a forum for dialogue with United Nations agencies and bilateral development institutions in relation to the establishment of better mechanisms for cooperation and coordination of their activities with those of UNIDO in the field. Following the global meeting, the Director-General had decided that UNIDO would work with the United Nations system in establishing joint programmes, both in the United Nations Development Assistance Framework (UNDAF) process and in the elaboration of joint instruments for strengthening operational activities at the country level.

5. UNIDO field representatives had participated actively in the pilot phase of UNDAF as members of United Nations country teams and at the working meeting to evaluate UNDAF, held in Princeton from 28 to 30 September 1998.

6. UNIDO had established a strategic alliance with the United Nations Conference on Trade and Development (UNCTAD) in the areas of investment promotion and technology transfer, and was negotiating similar agreements with other organizations of the United Nations system.

7. UNIDO was determined to promote operational activities for development that were more effective and more responsive to the needs of the parties concerned in the context of the reform of the United Nations system. To that end, it would continue to strengthen its technical cooperation programme.

8. **Mr. Singh** (India), after expressing his support for the statement made by Indonesia on behalf of the Group of 77 and China, said that the triennial policy review of operational activities was an important step in guiding the Organization's efforts to promote growth and development in the developing countries and international development cooperation in the coming millennium.

9. Since the early 1990s, the intergovernmental structures that supervised operational activities and the manner in which such activities were carried out had undergone a number of reforms. In considering the reform proposals submitted at its last session, the General Assembly had emphasized the need to make development cooperation a central component of United Nations activities, since the effectiveness of the reforms must be measured by their effects on the promotion of development. It was therefore disturbing to note that the Organization's role in that area was limited by resource constraints. It was essential to take prompt action to strengthen the resource base for operational activities, in accordance with the ever-increasing needs of the countries in which the programmes were implemented. India, as one of the developing countries that made the largest voluntary contributions to the core resources of United Nations funds and programmes, participated actively in those efforts.

10. In the current climate of change, it was important to safeguard the fundamental characteristics of the Organization's operational activities: namely, their multilateral, universal, non-discriminatory, neutral, impartial and grant nature. Operational activities must continue to be led by the recipient countries themselves, which were responsible for coordinating all external assistance. All structures designed to simplify or harmonize those activities, including the pilot phase of the United Nations Development Assistance Framework (UNDAF), must respect and promote that responsibility.

11. Capacity-building activities, among others, were certainly important, but it must be recalled that the primary task of the operational assistance provided by the United Nations was to eradicate poverty through practical activities at the field level; that included technical assistance, which must be given higher priority.

12. Moreover, optimal use had not been made of TCDC in operational activities, partly as a result of the lack of information on the exponential growth of capacity in the South. At a time of reduced resources for its operational activities, the United Nations should place greater reliance on TCDC in order to enhance the effectiveness of its work. Increased efforts should also be made to procure more goods and services from developing countries.

13. Greater emphasis should be placed on gender-related issues in the implementation of United Nations operational activities. The number of resident coordinator posts occupied by women should also be increased. He welcomed the fact that both conditions were being met in the activities of the United Nations system in India. The work being done by the United Nations Development Fund for Women (UNIFEM) in that field was also commendable.

14. Finally, he was concerned at the reduction in the flow of resources for humanitarian assistance. Every effort must be made to ensure that, in the current situation, which was characterized by the scarcity of development resources, such resources should not be diverted to provide humanitarian assistance. Resources provided for emergency relief operations should be additional.

15. **Ms. Suzuki** (Japan) said that one of the most important objectives of United Nations operational activities was to increase their impact and strengthen the Organization's response capacity. In order to achieve that objective, all development agencies, including the Bretton Woods institutions and civil society, must collaborate closely and adopt joint measures that would enable each institution to bring its particular strengths to bear in the pursuit of common goals based on measurable indicators and using a result-oriented approach.

16. For their part, prior to the implementation of programmes, development partners must determine the results which they hoped to obtain from each operational activity for development, supervise the activity and evaluate the results obtained using various indicators and frames of reference. Those results should be integrated in the new activities so that current lessons learnt could help to improve future activities.

17. The comparative advantages enjoyed by the United Nations because of its neutrality, impartiality and universality and the broad range of fields in which it was active gave it an important role to play in promoting cooperation with other development partners. In that connection, he wished to commend the Organization for the work it had done in the field, especially through the promotion of the resident coordinator system and the establishment of the United Nations Development Assistance Framework (UNDAF).

18. The resident coordinator system played the important role of facilitating the efforts of beneficiary countries in coordinating the assistance received. Despite the progress made towards expanding the pool of resident coordinators and enhancing the effectiveness of their performance through the introduction of training and performance evaluation activities, much still remained to be done. It was necessary, for example, to provide systematic training in the exercise of leadership, encouragement of team work and other key areas. In order to ensure that the needs of beneficiary countries were addressed in a timely manner, efforts must continue to promote the delegation of authority and decentralization and to harmonize the level and substance of the authority granted, while at the same time improving communications between Headquarters and field offices.

19. The efforts made by the various funds and programmes had helped to expand result-oriented cooperation and country programming activities within UNDAF. He hoped that, with the increase in the number of participating organizations, joint measures would be taken following consultations with the Governments concerned which were responsible for the adoption of decisions concerning the development process with a view to ensuring the continued expansion of the role of UNDAF, which should become the funds and programmes' only framework for operational activities for development. Progress in that area required greater harmonization of programming cycles and more streamlined procedures.

20. While humanitarian assistance programmes could not be replaced by regular development cooperation programmes, the two areas must be integrated at an early stage in order to guarantee sustainable reconstruction and rehabilitation and to ensure a gradual transition to substantive development activities.

21. South-South cooperation, especially in its new triangular dimension, was one of the most important mechanisms available for promoting development cooperation and had a number of comparative advantages over North-South cooperation, such as the exchange of technology and expertise that were more suited to actual conditions in the developing countries. South-South cooperation should be integrated in all the operational activities of the United Nations system, which should also place special emphasis on triangular cooperation. In that connection, his delegation proposed that the question should be included in the agenda of the eleventh session of the High-Level Committee on the Review of Technical Cooperation among Developing Countries.

22. *Mr. Prendergast (Jamaica) took the Chair.*

23. **Mr. Birouk** (Algeria) associated his delegation with the statement made by the representative of Indonesia on behalf of the Group of 77 and China. The operational activities for development of the United Nations system were at the crossroads. Despite growing demand for increases in the volume and scope of such activities, the core resources allocated to programmes and funds had fallen to dangerously low levels and the United Nations risked becoming less and less capable of fulfilling its mandate in the field of development.

24 It was important to recall that assistance was based on mutual interests, since the donor countries themselves obtained very tangible benefits from the assistance, both bilateral and multilateral, which they provided, including the development of expertise and access to developing country markets.

25. A substantial increase in funding for the operational activities of the United Nations system could be justified on several grounds, including the need to support the development efforts of the developing countries, especially in the field of capacity-building. Another justification was the increasing financial support which developing countries provided for such activities and their firm political commitment to multilateral development assistance. In that connection, the decision of some donor countries to increase their contributions in order to achieve the internationally agreed target of 0.7 per cent of gross national product for promoting development activities in the developing countries was a welcome step which all donor countries should emulate. He also welcomed the efforts made by the Executive Boards of United Nations funds and programmes to develop new financing strategies without affecting the essential characteristics of United Nations operational activities.

26. Despite its merits, the resident coordinator system had experienced practical difficulties, especially in the area of coordination. An in-depth review of its functioning was therefore needed. The resident coordinator system should be given the necessary support in the following areas. Firstly, strengthen the authority and prerogatives of the resident coordinator through broader and more effective delegation of authority, especially in relation to the budget, so that programmes and projects could be approved within the overall budget. Secondly, consider that, at the current stage of the process of reform of operational activities, it would be inappropriate to elevate the current rank of the resident coordinators accredited to host Governments.

27. With regard to the United Nations Development Assistance Framework (UNDAF), his delegation believed that the ultimate objective of coordination by the funds and programmes and other United Nations agencies was to strengthen the system's capacity to respond effectively to the growing needs of the programme countries. He wished to reiterate that decision-making with respect to development programmes and responsibilities, as well as the coordination of all external assistance, was the province of the governments of the recipient countries.

28. Turning to the participation of non-governmental organizations and other components of civil society, he said that his delegation believed that it was extremely vital that such participation should be decided solely by the governments of recipient countries and not be aimed at placing governments and non-governmental organizations on an equal footing. Any efforts to incorporate civil society in the work of the United Nations should take into account the parameters of the definition of civil society established by the Economic and Social Council and the General Assembly and follow the appropriate procedures. Moreover, cooperation between the United Nations system and the Bretton Woods institutions seemed to be rather weak and even non-existent, particularly at the macroeconomic level; therefore, close cooperation at that level could be extremely valuable.

29. He expressed the hope that the triennial review would strengthen the role of the United Nations in development activities, without prejudice to the fundamental characteristics of the operational activities of the United

Nations system, namely, their universal, voluntary and grant nature, their neutrality and their multilateralism.

30. **Ms. Gordon** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), expressed support for the statement made by the representative of Indonesia on behalf of the Group of 77 and China. The States members of CARICOM were pleased that the reports of the Secretary-General (A/53/226 and Add.1–4) emphasized the importance of the United Nations presence in the programme countries, even though the Organization was one of the smallest donors in terms of financial capacity, particularly in comparison to the Bretton Woods institutions. The evaluation carried out in some of those countries had proved the multiplier effect of operational activities beyond a doubt: United Nations resources, which had been channelled into very specific, and at times minuscule, areas, had paved the way for the implementation of larger programmes.

31. An issue of particular importance to the CARICOM region was that most of its members were categorized as middle-income countries, due to the continued use of per capita income as a key indicator of the level of development. Therefore, they did not receive a large share of United Nations resources for operational activities. The reality, however, was that the gross domestic product per capita masked the real problems and vulnerabilities of the countries of the region, which were still struggling to eradicate poverty. The recent devastation wreaked by Hurricane George on a number of Caribbean countries had been a reminder of how easily a single phenomenon could erase years of progress in development.

32. She expressed alarm at the steep and rapid decline in the level of core resources, particularly those earmarked for multilateral purposes. The growing popularity of non-core resources signalled a return to bilateral and "tied" assistance and called into question the commitment to the principles of multilateralism, neutrality and transparency in the area of development assistance. Donors should maintain or increase their contributions to core resources in order to maintain such assistance at a consistent and predictable level. Non-core resources could not substitute for core resources; instead, without core resources, the effectiveness of non-core resources was diminished.

33. It must be recognized that there were constraints to all funding strategies and that they were influenced by subjective rather than objective criteria. The financial crisis and the global economy had demonstrated that it was not possible to depend on the private sector as a constant source of funds. The possible recurrence of a phenomenon on the scale of the Great Depression, with the consequent shrinkage or collapse of the private sector, should make governments realize that they were ultimately responsible for the welfare of their citizens and, therefore, the development of their economies.

34. The CARICOM States recognized that many aspects of the initiatives to reform operational activities should be implemented across the board; other aspects should be implemented only as necessary, on a case-by-case and country-by-country basis, since there was no point in reforming what worked well. The same held true for the process of harmonizing the rules and procedures among the United Nations agencies involved in operational activities, an issue that had proved to be more complex than anticipated. The United Nations should remain focused on the goal it was pursuing; otherwise, what was working well might be destroyed. Moreover, there were systems that could not be harmonized without sacrificing the efficiency and individuality of particular agencies.

35. UNDAF was another process which might or might not lend itself to blanket application. It was preferable to wait at least until a more thorough assessment of all its pilot phases was available before passing judgement on it. Should it be implemented, however, it should take place only in consultation with recipient governments. With regard to common premises and services, she said that, while the States members of CARICOM believed that those goals might not be achievable in all cases, they supported the methodology of the United Nations Development Group in that regard and looked forward to hearing the results of its application in the near future.

36. The States members of CARICOM were gratified to note the plans for improving the system of recruitment and selection of resident coordinators and their level of training, as they had always stressed the importance of institutionalizing a system of selection from a pool of well-qualified persons who were sensitive to the particularities of each country.

37. The States members of CARICOM shared the Secretary-General's views on the plans for promoting operational activities at the regional and subregional levels. Moreover, United Nations assistance to most of the CARICOM region was channelled through regional programmes, including the Multi-island Programme of the Organization of Eastern Caribbean States. Nonetheless, analysis had shown that, at times, regional dimensions of operational activities were not sufficiently linked to the country level at either the planning or implementation phase. Therefore the primary focus of operational activities must continue to be at the country level, with national

Governments assuming the main responsibility for coordinating development assistance programming, which, in turn, must be based on the national development plans and priorities of those countries. As a grouping of small islands, CARICOM was aware of the danger that the regional perspective might obscure the individual reality of each country.

38. In conclusion, the States members of CARICOM reiterated the need to encourage, promote and intensify technical cooperation among developing countries, an issue that was acquiring greater importance at a time when traditional sources of funding and technical cooperation were becoming scarce, and urged development partners to do their utmost to make such cooperation an integral part of United Nations operational activities.

39. **Mr. Reshetnyak** (Ukraine) said that he supported the conclusions and recommendations contained in the report on operational activities for development, and noted with satisfaction that the United Nations system of operational activities, which was currently carrying out programmes in over 170 countries, including Ukraine, had once again demonstrated its efficiency.

40. Like many countries with economies in transition, Ukraine was more interested in taking advantage of the most successful experiences worldwide than in obtaining substantive financial support. The presence of the resident coordinator in such countries made it possible to hold a productive field-level dialogue with other funds and programmes and develop cooperation with bilateral donors. The Ukrainian Government also commended the work of the Regional Bureau for Europe and the Commonwealth of Independent States of the United Nations Development Programme (UNDP), supported their activities and welcomed the plan to set up regional and country cooperation frameworks. Although UNDP and other United Nations funds and programmes had only recently begun working in Ukraine, their activities had already achieved encouraging results and had gained the respect of the Government and the people. UNDP should continue to play a key role in coordinating the activities of United Nations agencies in Ukraine, particularly with regard to the execution of complex, multifaceted and long-term projects such as the Crimea Integration and Development Programme.

41. Since the most recent triennial comprehensive policy review of operational activities for development of the United Nations system, coordination had greatly improved, the resident coordinator system had been strengthened and cooperation with the Bretton Woods institutions in such areas as humanitarian assistance, post-conflict peace-building and regional-level operations had increased. The most significant achievements in that area were the implementation of the Secretary-General's reform proposals, particularly with regard to the activities of the United Nations Development Group, the "United Nations House" initiatives and the United Nations Development Assistance Framework (UNDAF). While it was too soon to assess the UNDAF pilot projects being carried out in 18 countries, those projects would undoubtedly help to focus the development efforts of the entire United Nations system with a view to establishing effective cooperation with the Bretton Woods institutions.

42. It was clear that operational activities would be meaningless without adequate funding, and the decline in official development assistance (ODA) channelled through the United Nations system was a source of concern. His Government was confident that a new system of funding would be developed in the near future and that the Economic and Social Council would be able to examine detailed and coordinated proposals at its 1999 substantive session in order to adopt a resolution on the subject. The General Assembly should take a position on the future pledging mechanism, either in a separate resolution or as part of its general decision on the triennial policy review; Ukraine supported the establishment of such a mechanism provided that the universal, voluntary and grant nature of United Nations operational activities was maintained.

43. *Mr. Asadi (Islamic Republic of Iran) resumed the Chair.*

44. **Mr. Carmichael** (Joint United Nations Programme on HIV/AIDS) said that it was encouraging that some of the reforms proposed by the Secretary-General in 1997 had begun to be implemented; in particular, the common country assessment and UNDAF would be two essential components of United Nations support for the development activities of national Governments and their partners.

45. One of the recommendations contained in the Secretary-General's report (A/53/226) stressed the importance of cooperation with all development partners. Since 1996, the Joint United Nations Programme on HIV/AIDS (UNAIDS) had been taking a new approach to multisectoral cooperation, in which responsibility was shared equally by its six co-sponsors: three funds and programmes (United Nations Population Fund (UNFPA), UNDP and the United Nations Children's Fund (UNICEF)), two specialized agencies (World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO)) and one Bretton Woods

institution (the World Bank). Generally speaking, that approach had led to a high degree of operational cooperation at both the global and country levels.

46. Faced with an epidemic that had already claimed 11.7 million lives and infected another 30.6 million people, the six co-sponsors had pledged to combat the pandemic in a concerted manner and in many different ways, including financial assistance and the establishment of coordination centres in the field offices. UNAIDS had also taken an innovative approach to civil society by allocating five seats on its Executive Board to representatives of non-governmental organizations, some of whom were HIV-positive or had AIDS. Such participation made it possible to achieve closer contact with the devastating consequences of that scourge from which mankind was suffering.

47. In his report, the Secretary-General noted the progress that had been achieved in establishing thematic groups in various countries. Those groups constituted the primary instrument of UNAIDS at the country level: there were already thematic groups on HIV/AIDS, whose members included, as a minimum, the country representatives of the six co-sponsors, in 126 countries. Thematic groups facilitated not only the exchange of information and ideas but also the formulation of policies, strategic decision-making and consolidated advocacy efforts. In many countries, they were also supported by broader-based technical working groups on HIV and AIDS.

48. The multisectoral approach to cooperation taken by UNAIDS at both the global and country levels was emblematic of United Nations reform. UNAIDS had shared with the United Nations Development Group the lessons learned from the two evaluations of the work carried out by the thematic groups in over two years' experience with that approach. One conclusion was that reform in the development sector could succeed only if the resident coordinator system, of which UNAIDS was an integral part, was strengthened. In countries where the epidemic had become entrenched or was spreading, AIDS-prevention activities must figure prominently in the annual programme of work and the report of the resident coordinator. At the same time, the resident coordinator and the country team should ensure that HIV/AIDS was an ongoing element of the common country assessment and, where applicable, of UNDAF.

49. The resident coordinator had primary responsibility for the effective functioning of UNAIDS at the country level and should be accountable in that regard. If the thematic group did not function well, it was for the resident coordinator to take appropriate corrective measures. That basic principle applied to all inter-agency cooperation at the country level. It was possible to support development efforts and help to ensure that the goals of national partners were met through the use of a strengthened resident coordinator system, a United Nations country team devoted to that task and effective, well-supported United Nations thematic groups.

The meeting was suspended at 4 p.m. and resumed at 4.10 p.m.

Panel discussion on "Building national capacities: some lessons"

50. **Mr. Maconick** (Coordinator of Impact Evaluation, Development Cooperation Policy Branch, Department of Economic and Social Affairs) said that, in a sense, building national capacities had become a synonym for development since most of the work of the United Nations system consisted of activities devoted to that end. Thus, the panel discussion would deal with the type of guidance that the General Assembly provided to the United Nations system in the area of development. The panel's purpose was to determine what had been achieved, first in the area of capacity-building and secondly in the area of impact evaluation as a tool to be used by the intergovernmental process in its triennial review of operational activities.

51. The impact of operational activities for development had been evaluated for the first time in accordance with paragraph 56 of General Assembly resolution 50/120 and the conclusion, bearing in mind the limitations of a pilot study, was that, generally speaking, such activities yielded positive results. However, it was true that there were factors that limited the impact of the work of the United Nations system and that some of those factors posed insoluble problems that exceeded the system's capacities.

52. Three important conclusions could be drawn from the evaluation exercise. The first was that resources were crucial: capacity-building activities could be undertaken but they could not be maintained nor would they lead to sustainable development unless they had adequate funding, regardless of whether such funding came from foreign or domestic sources. Secondly, operational activities had to be integrated into the efforts of the society concerned (Government or civil society) and should also be integrated into the United Nations system. Thirdly, not only the United Nations system but also the societies in which operational activities were being implemented had to be more willing to learn and draw lessons from the experience gained in the process.

53. In any case, it had been demonstrated for the first time that impact evaluation was possible and could help to improve the quality of the studies provided to intergovernmental mechanisms. Moreover, the General Assembly's interest in impact evaluation had coincided with increased interest in evaluation within the United Nations system itself, which would contribute to future improvements.

54. The impact evaluation had run into real problems. One was the lack of established methods, suitable data and indicators. To make up for that deficiency, the evaluation teams included experts who, in addition to being familiar with the technical aspects of capacity-building, had also participated in programmes designed to promote it or had made use of the services of agencies or organizations with experience in that area. Another problem was that of the authenticity, legitimacy or credibility of the criteria or standards used; in other words, the evaluation should not merely reflect a particular person's point of view or the interests of a particular organization or group of countries. In order to avoid that situation and achieve a certain degree of universality, it had been necessary to set up balanced evaluation teams, comprising one person from the industrialized countries and one from the countries members of the Group of 77. Gender balance had not been achieved, however; only one in 12 evaluators had been a woman, and that shortcoming would have to be corrected if further evaluations were carried out in the future. Another measure taken to maintain authenticity had been to obtain the services of three distinguished consultants to guide and supervise the process and to whom members of the evaluation teams could turn when they felt that their own independence or judgement had been called into question.

55. In future evaluation exercises, use should be made of multiple sources, not only those based on the work of the Secretariat. The Secretariat had encouraged Member States to evaluate operational activities, either individually or in groups or with other organizations.

56. The evaluation had confirmed the need to adopt a more systematic approach to capacity-building. Providing training courses and strengthening organizations were not enough; it was also necessary to change the context in which the organizations functioned and the arrangement under which the norms and practices that they followed were established and modified. The evaluation demonstrated that the United Nations system was capable of working with societies in exploring the various paths towards capacity-building that those societies could choose.

57. **Mr. Morgan** (Senior Consultant on Capacity-Building) said that, before making a few comments on a report on Pakistan that he had helped to prepare, he would first define the terms "capacity" (the technical organization and abilities, relations and values enabling a country, organization, group or persons at any level of a society to carry out activities in support of development), "capacity-building" (the processes, strategies and methodologies used by participants in the development process to achieve their objectives) and "impact on development" (indicators consisting of measurable phenomena, such as maternal and child illness and health). All those factors were interrelated, but it was very difficult to determine cause-and-effect relationships between them.

58. The evaluation of the United Nations capacity-building exercise in Pakistan over the past 15 years had shown that the programmes had been well formulated and managed and that their design had continued to evolve. At the outset, capacity-building had been approached from a technical standpoint, and there had been a tendency to set up structures that others had to learn how to use. That had been replaced by a much more open and participatory approach, based on experimentation, mediation and the acquisition of experience, oriented towards action for development and the encouragement of the learning process, and addressed not only to the Government but also to civil society. Under the new approach, transparency, accountability and the environmental factors that limited capacity-building began to acquire greater importance. Another positive development, related to the foregoing, was that the United Nations in Pakistan tried to find groups and individuals with creative ideas and a spirit of dedication who for one reason or another lacked all the resources needed for capacity-building, and assisted them in their work by supplying what they lacked and giving them an opportunity to continue the process on their own.

59. Some of the problems that had arisen were difficult to solve and related to United Nations capacity-building programmes in other countries. The first concerned the search for sustainability. Why did things last, and in what context? What enabled an organization to renew itself in difficult circumstances? The second problem concerned what the United Nations needed to do in order to enable small high-quality projects to have a greater impact. The third problem had to do with the difficulty of integrating the concept of capacity-building into the United Nations system as a whole. How could considerations of that type be introduced into the work of people primarily interested in technical, substantive and policy issues? Another problem was that, in many cases, there was pressure to obtain results,

to the detriment of processes that could build organizations or develop their capacity.

60. In the Pakistan experience, the United Nations had had a comparative advantage (objectivity, the power to call meetings, greater freedom of action to foster policy dialogues and development programmes), and it had been extremely important to ensure that the Organization did not exceed its own limits. Finally, he noted that, while the management model based on the measurement of results was popular with donors, it was only one of several tools used in forming a judgement. Some results were measurable, while others could be evaluated but not measured. It was difficult to come up with indicators that all parties could accept and which could replace a donor-controlled evaluation system; in other words, it was necessary to find a method that made it possible to consider objectively such complex questions as the speed with which capacity could be built. Premature judgements could damage the very process that a programme sought to promote.

61. **Mr. Wiesner** (Former Minister of Finance of Colombia and former Executive Director of the World Bank) first spoke of the strategy which the United Nations should adopt in the future to promote capacity-building. It was not enough to have good objectives and policies, since there were institutions in all developing countries that would oppose any intervention by the Government or the United Nations in the public sector (education, health and infrastructure, in particular) to keep from losing their influence. It was therefore advisable for the United Nations to pay more attention to the restrictions and realities of the political economy of developing countries and to bear in mind that, in trying to promote programmes to build capacity, it would be competing with the ostensibly legitimate interests of those institutions.

62. The importance of identifying the elements that actually determined the demand for capacity-building programmes and the corresponding evaluations must be stressed. In most countries and public sector institutions and multilateral aid agencies there was a disparity between the work, expressed in terms of results and the evaluation of those results, on the one hand and budget allocations on the other. Even though the evaluations pointed up the importance of capacity-building, budgets continued to be prepared as in the past. Until the causes of that paradox were known, there would be little change in the way those institutions functioned and the way policies were implemented. It was essential to determine the actual system of incentives that lay behind that paradox.

63. **Mr. Andriamananjara** (Director, Malagasy Institute of Planning Techniques (IMATEP), Madagascar) said that his comments were based on a report evaluating the impact of United Nations operational activities in Mali prepared by a mission sent to that country, and were also based in part on the conclusions and recommendations of the missions which had visited the five other countries in the sample. The evaluation conducted by the mission to Mali had considered the effects of operational activities carried out between 1980 and 1995 on capacity-building in primary health care and basic education.

64. The main conclusions of the evaluation dealt with six aspects. (1) With the training of individuals and groups, the United Nations had made a definite contribution to capacity-building in Mali in the fields mentioned, but its sustainability was not guaranteed, because efforts had been concentrated on individuals and had not yet become institutionalized. (2) At the system-wide level, the United Nations devoted considerable attention to strengthening institutions in the health and education sectors, with varying results, including a certain loss of capacity and a tendency not to use existing capacity for reasons linked to donor objectives. The end result would probably be a net increase in capacity that could be attributed to the United Nations. (3) Some trends that undermined the achievements in building individual and institutional capacity had been observed, one of the most worrisome being the use of donor-supported parallel structures for planning and execution, bypassing official institutions. Donors usually preferred that option because they believed that it produced better results, and recipient countries accepted it because they believed that it attracted more money and resources and that, in any case, they had no alternative. Those practices, which eroded capacity, had become common, and their effect on United Nations capacity-building activities must be examined critically. (4) At the grass-roots level, emphasis had recently been placed on empowerment and fostering of local initiative. The active collaboration of the Government and the United Nations system in applying the principles declared at Alma Ata in 1978 in the health sector, including empowering communities to administer and finance their own primary health-care systems, was the most positive aspect identified by the evaluation. (5) The United Nations system had carried out useful capacity-building work in health care and basic education through a dual approach, strengthening some institutions and providing training in necessary technical skills from the top down while supporting local initiatives from the bottom up. (6) Yet despite the contributions of the United Nations system, it was not clear that the people's general health had improved much between 1980 and 1995,

nor had satisfactory rates of school enrolment and literacy been achieved, so it could not be affirmed that operational activities had contributed to an improvement in the overall situation of the people in health care and education.

65. With respect to the lessons learned and consequences for the future, it should be noted that, at the professional and personal level, the activity had been beneficial for the evaluators because they could draw on their prior development planning experience and participate actively in policy research and training of administrators. The exercise had confirmed the importance of national capacity-building for curricula, instructor training and the management of a development planning institution, and clearly showed the need to conduct regular and systematic evaluations.

66. At the country level it was evident that capacity-building required two conditions. First, the country itself must desire it and make the necessary efforts; second, its external partners, including donors and the United Nations system, must cooperate in the enterprise and agree to support country activities without directly or indirectly counteracting them.

67. As far as the United Nations system was concerned, a review of the various evaluation reports clearly indicated that a sample of six countries was not sufficient to draw general conclusions. As for carrying out such studies over a longer term, in view of the limited resources of the United Nations system, attention should be focused on selected fields, either staying with the traditional vertical fields (sectors or subsectors) or taking an increasingly horizontal approach and addressing intersectoral areas like capacity-building.

68. Whatever the future course of action, it would be essential to pay more attention to the opinions of clients, in other words countries, in order to promote a sense of control at the national level of the process and its outcome. In particular, to adequately balance donor conditions and the country's needs, the United Nations should avoid the rigid approach traditionally followed with developing countries and encourage and clearly support national capacity-building initiatives.

69. Various specific recommendations could be made to improve the approach of the United Nations system and obtain more sustainable capacity: better coordination and exchange of experience between the various bodies and external actors in the field should be promoted and common definitions of capacity-building and national execution should be used in all development programmes; the easy solution of parallel administration should be avoided to help the country to retain capacity; clear, viable and practical guidelines for all the parties concerned should be formulated; carefully considered plans should be developed to address the problem of replacing foreign technical assistance; an oversight procedure for capacity-building should be established and the impact of development programmes supported by the United Nations should be systematically evaluated; and explicit and quantitative objectives for capacity-building should be regularly introduced in all programmes and projects.

70. Capacity-building must be adapted to the conditions in each country; it depended on an environment which might or might not be favourable. It was essential to take advantage of any initial or partial success and start from the position that capacity-building was an ongoing process and a means to an end: sustainable development.

71. **Mr. Haemmerli** (Department of Economic and Social Affairs), referring to two points addressed by the members of the panel, said, with regard to the first, that capacity-building had always been present in United Nations cooperation activities in a more or less general way, although the concept evolved rapidly and thus was difficult to define precisely. The second point had to do with the relationship between impact evaluations of operational activities in general and programming, mobilization of resources and all the other elements of such activities.

72. It was the first time that independent consultants were attempting to carry out evaluations of United Nations programmes in health, education and other spheres. The information they had presented was valuable not only from the point of view of capacity-building but also with respect to various other issues such as the need to improve coordination and to develop common definitions. The evaluations had been carried out in consultation with the programme countries, although it had not been possible to hold regional and subregional consultations on the findings as a result of the shortage of time and resources. As recommended in paragraphs 33 to 35 of the Secretary-General's report on the triennial comprehensive policy review (A/53/226), there was a need to continue to undertake impact assessments by preparing future studies and reports on the intergovernmental framework, including the Economic and Social Council and the comprehensive triennial policy review.

73. The Department was grateful for the assistance it had received from Canada and Switzerland for the dissemination of the results of the evaluations. In that regard, a consolidated publication would be prepared containing the main results of the evaluations on the impact of operational

activities. Moreover, for the evaluations proper, Canada, France, Ireland, Switzerland and the United Kingdom had provided support in order to supplement the secretariat's limited resources. Notwithstanding those contributions, the secretariat had been solely responsible for those evaluations, which it had undertaken in an independent manner. The authors of the evaluations also expressed their own personal views.

74. **The Chairman** said that the floor was open for questions and comments.

75. **Mr. Park** (Republic of Korea) noted the importance of the learning process in the field of capacity-building and hence the need to incorporate the results of evaluations at the programming phase in a systematic and sustainable manner, and to link them to budget appropriations. The issue of authenticity referred to by Mr. Maconick came into play in that area, it being possible that difficulties might arise, especially with the private sector. In that regard, he wondered what concrete measures were going to be used to improve the system of incentives for the allocation of resources. Also, given that achieving authenticity in that area was linked to the establishment of a set of common indicators, the panellists should indicate what progress had been achieved with respect to the preparation of such indicators.

76. **Ms. Simonova** (Czech Republic), referring to Mr. Wiesner's remark on the possibility of providing adequate incentives for capacity-building, said that he should indicate the conditions that could be envisaged for the provision of such incentives.

77. **Mr. Kvalheim** (Norway), noting that donor countries had lost confidence in official development assistance, said that the lessons learned concerning ODA should be considered and disseminated bearing in mind that the importance of the evaluations lay not in the mere provision of statistics, but rather in the description of what had been done and achieved. Therefore, the panellists should not only indicate the main obstacles to learning within the system, but show how what was learned could be related to changes in the action of the United Nations.

78. **Mr. Rohner** (Observer for Switzerland) wondered whether the statements of the panellists could be distributed. Noting that it was important to know the results of the evaluations on the impact of operational activities, he said that the lessons were being left to decision makers at a time when they should be taken advantage of to move the process forward. In that regard, he suggested that the matter should be entrusted to the Consultative Committee on Programme and Operational Questions as well as to the evaluation group of the Development Assistance Committee. He recalled that the facilities of the International Centre for Advanced Technical and Vocational Training in Turin, where training seminars for resident coordinators and country teams were regularly organized, could also be used. Moreover, his delegation fully endorsed the holding of a regional seminar on that issue and would welcome the participation in such training of its partners from the programme countries.

79. **Ms. Wörgetter** (Austria) said it was her understanding that when little was said about the performance of a programme or fund in a given country, that meant that it had either not been possible to evaluate such performance, or that the evaluation had been negative and there was no desire to refer to it, or that the fund or programme had not been involved in the evaluation and it had been impossible to obtain more information. In that regard, she wondered whether it would be possible, in future, to separately evaluate the results of the work of a specific fund or programme in a given country. She also wished to know how the impact of the human factor was assessed in terms of the achievement of good or poor results of operational activities, and whether there was any way of reducing or compensating for the negative variations resulting from the human factor. Lastly, she wondered whether contacts were established with the funds and programmes at the headquarters level to exchange comments and whether some responsibility had been assumed in terms of the concrete recommendations formulated, or whether the headquarters had adopted measures to take the recommendations into account.

80. **Ms. Suzuki** (Japan) wished to know whether the results of the evaluations were reflected in programming and whether they were submitted to the funds and programmes for an exchange of views. She also wondered how the recommendations were disseminated among the assessors and the units and evaluation systems of the funds and programmes for the recommendations to be included in the future programmes of such bodies. In that regard, she suggested that some procedures or results of the reports should be compiled for distribution not only to the funds and programmes, but also to Member States in order to enhance the delivery of information to such entities. Moreover, aware of how difficult it was to come up with goals or indicators for measuring capacity-building, she expressed the view that securing results should be a vital element in the elaboration of criteria for establishing such indicators or goals. She would appreciate the panellists' views in that regard.

81. **Mr. Perez-Sernini** (Venezuela) asked whether the flight of people trained in the public sector to the private sector, where wages were higher, had not become a problem

that was contributing to the loss of investments in capacity-building.

82. **Ms. Barrington** (Ireland) endorsed Mr. Andriamananjara's statement that the views of stakeholders should be heard. As far as the topic under discussion was concerned, those who were familiar with the issue were those who implemented policies on the ground and the Governments concerned; the studies carried out should be submitted to them to see whether they really reflected their perception of the issues. Assuming that such a procedure was adopted, a way must be found to implement the recommendations formulated. She wondered whether that would be done through the Department of Economic and Social Affairs or through the United Nations Development Group and what mechanisms would be implemented to move the process forward.

83. **Mr. Al-Dailami** (Yemen), noting that it had been stated earlier that capacity-building had been crucial to United Nations operational activities from the outset, asked what changes had occurred in that regard.

84. **Mr. Morgan** (Senior Consultant on Capacity-Building), speaking of institutional memory, said that staff in the field generally did not have enough time to study the abundant information they received to increase their knowledge of the situation in which they worked. The report contained a recommendation for the establishment of some institutional mechanism which would not place much pressure on the staff doing the work but would collect the valuable experience acquired by individuals and disseminate it to other members of a given office so that they could absorb it with relative ease. For example, in the case of Pakistan, it would be useful to learn about the experience the United Nations office in that country had acquired regarding sustainability, the conditions that promoted it and hindered it and other such matters. It was surprising to see how broad a range of experience was available in that area and how little common knowledge there was at the level of the Organization, a fact which demonstrated the importance of exchanges of ideas and knowledge between members of an office on the basis of a common framework through the establishment of committees and the holding of brainstorming meetings to give people an idea of who else was working on a particular problem and whom they could turn to for information, assistance and experience.

85. Another aspect of institutional learning had to do with organizations being courageous enough to recognize their mistakes and try to correct them as honestly as possible.

86. Every organization had its own indicators, which sometimes differed greatly from those used by other organizations. The problem was to determine which indicators were best suited to what purposes. If organizations saw that their indicators were not being used, they had no incentive to participate in the measurement system and tended not to provide information for others to use unless they themselves derived some benefit from doing so; participation was thus important.

87. The measurement process could be costly, and it must be determined who would pay for it, for studies and for staff members' time. The project must be clearly organized and there must be certain guarantees with regard to the information requested, since no one was going to contribute to an information system that would later be used against him. The incentive to provide information was the belief that participation would be beneficial, since the system would otherwise become a centrally controlled lottery which, ultimately, would not contribute to the success of projects.

88. **Mr. Wiesner** (Former Minister of Finance of Colombia and former Executive Director of the World Bank), replying to comments by the representatives of the Republic of Korea and the Czech Republic, said that it was conditions rather than mere intentions, which determined results. For example, over the past 10 to 20 years, the volume of public-sector expenditure in developing countries had increased by 5 to 8 percentage points; in Latin America it had risen by an average of 20 to 30 per cent. However, in assessing the results an imbalance could be observed. In Colombia, for example, because education was important, twice as much was being spent in that area as had been a few years previously, yet the situation remained basically unchanged. It had been decided to increase spending in the health sector and, while there had been some improvement, the situation was essentially as before. The same was true of the environment. The problem was that an in-depth analysis of conditions was needed. For example, it would seem logical to allocate more money to increase the teachers' salaries, yet doubling those salaries might not improve the quality of education. That was because competitiveness was not taken into account nor was consideration given to what would happen from the standpoint of demand. If an amount equal to the salary increases had been given to the families, they would have been able to purchase education, which was theoretically possible. The consumer would have a choice and there would also be an increase in institutional capacity since everyone would try to capture that market. Trade unions, which were led by very capable people, controlled the educational system, but in a context in which competition and outside or independent monitoring did not exist. There was a tendency to think that the source of the problem lay in a lack of resources but, as was the case with the United

Nations, the real problem lay not there, but in the way that things were done. To say that the United Nations ought to become more efficient was to express an intention which could only become reality if conditions forced the organization to be efficient and disincentives existed to prevent it from being inefficient. It was conditions that determined results: with proper incentives, people worked and without them, they did not.

89. **Mr. Searby** (United States of America) asked what results capacity-building had yielded; he particularly wished to know what procedures had been used to compile those results and what contribution non-governmental organizations hired for capacity-building in the countries in question had made.

90. **Mr. Andriamananjara** (Director, Malagasy Institute of Planning Techniques (IMATEP), Madagascar), replying to the representative of the United States of America, said that the mission's mandate had been not only to consult documents, but also to establish contact with the agencies themselves both at Headquarters and in the field, and that had been done. His statement also provided a response to the comment made by the representative of Austria concerning the lack of concrete references to evaluations of specific funds and programmes.

91. Time constraints had made it impossible to go into each case in detail, but it should be noted that consultations had been held with all participating organizations of the United Nations system, including their field offices. Consultations in the field had also been held with representatives of the relevant non-governmental organizations, particularly in areas of interest (basic education and primary health care). Furthermore, the detailed reports contained concrete evaluations of the results achieved by each of those organizations.

92. **Mr. Maconick** (Coordinator of Impact Evaluation, Development Cooperation Policy Branch, Department of Economic and Social Affairs), replying to the question on authenticity or legitimacy, said that where there were no clear measurements or indicators, evaluation must ultimately be left to the judgement of experts; therefore, in selecting experts, it was important to achieve a balance in the type of knowledge and experience which they could provide. Obviously, resources were important in such cases, since if more resources had been available, there would have been no need to limit hiring to only two individuals.

93. With respect to the representative of Japan's question regarding indicators, he said that existing measuring systems must be used to study or evaluate an event or process; failing that, a rational approach must be sought and applied. With respect to operational activities, what the United Nations system essentially did was to activate processes or help societies to do so. Thus, the question was not simply what had been produced or achieved, but whether the process activated within a society with the help of the United Nations system was beneficial or not. That was a much more complex type of judgement, so that, even when indicators were encouraging, it was necessary to rely on the judgement of experts and qualified individuals.

94. **Mr. Haemmerli** (Department of Economic and Social Affairs) said that the Secretariat was extremely cautious with regard to what should be done in the future because it acted on the basis of guidance from the General Assembly. Three years previously, the Assembly had instructed the Secretariat to conduct an evaluation of the impact of operational activities for development within the framework of the triennial policy review of operational activities for development. That task had been completed, the results had been published and recommendations had been made with regard to future evaluations, impacts and the appropriateness of disseminating the results of the study more widely. If the Assembly considered that the results warranted it, it would be useful for it to mention in its resolutions that it wished those results to be disseminated and taken into account. The Secretariat had in fact already begun that task. The original studies had been made available to the entire United Nations system and funding had been obtained so that they could be summarized with the assistance of an independent expert. The summary would be published and submitted to the inter-agency machinery. That would doubtless lead to an analysis of all aspects of training, a matter on which the Observer for Switzerland had expressed concern. Nevertheless, Mr. Morgan's comment must be borne in mind, and staff working in the field must not be inundated with excessive directives or complicated instructions. It was hoped that the results of the evaluation could be incorporated into the training programmes, thereby facilitating an exchange of views with colleagues working at the national level.

The meeting rose at 5.50 p.m.